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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

August 11, 2020

The Honorable Mark A. Calabria
Director
Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20024

Dear Director Calabria:

We are writing regarding the Federal Housing Finance Agency's (FHFA) Enterprise Regulatory Capital Framework Notice of Proposed Rulemaking (capital rule), which was published for comment on June 30, 2020.

The proposal that FHFA put forward would fundamentally restructure the regulatory capital requirements of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), collectively the Enterprises. The complex and nuanced framework that FHFA has proposed has significant differences from the last proposal, which was put forward in 2018.

The capital framework that FHFA ultimately adopts will affect not just the Enterprises but the entire housing finance system and the millions of homeowners and renters who depend on it. It will help determine what types of loan products are available, to whom, through which channels, and at what price. It will also determine what types of resources the Enterprises have to continue serving all parts of the housing market at all times. We must all understand the effects of the rule on renters and homeowners, especially those who have historically been underserved by our housing finance system, before a final rule is adopted.

We do not believe 60 days provides adequate time for all stakeholders to thoroughly review and provide thoughtful comments on this detailed proposal, particularly under the current circumstances. The coronavirus pandemic has required the entire country to turn its attention to adapting to new work environments, prioritizing health, and responding to the economic needs of the millions of families who are struggling to stay in their homes. Stakeholders wishing to provide comment on this critical rule will not have the time and attention that they otherwise might give to analyzing and providing insights on the rule.

Given the complexity of this undertaking and the many parts of the housing market that will be touched by this rule, it is essential that all voices are heard. Therefore, we request that you extend the comment period for the proposed rule to provide time for all interested parties to give the thoughtful comments and analysis that this proposal deserves. We further request that FHFA and, as appropriate, the Enterprises, provide their analysis of the rule's projected effects on various populations of homeowners and renters, including the options available to households and at what price, as well as the many participants in the broader housing market. This includes the effects on small lenders and the affordable rental housing community.

As our country struggles to address the lack of access to affordable housing and the continued inequities in our housing and economic systems, it is essential that we consider all voices and understand all impacts of the changes to our housing market that will come from a change in the capital rule. We look forward to your response to this request, and to working with FHFA and all stakeholders to ensure that our housing finance system meets the needs of all homeowners and renters.

Sincerely,

/s/ Sherrod Brown
United States Senator

/s/ Robert Menendez
United States Senator

/s/ Mark R. Warner
United States Senator

/s/ Brian Schatz
United States Senator

/s/ Catherine Cortez Masto
United States Senator

/s/ Jack Reed
United States Senator

/s/ Jon Tester
United States Senator

/s/ Elizabeth Warren
United States Senator

/s/ Chris Van Hollen
United States Senator

/s/ Tina Smith
United States Senator